

CHAPTER 49  
TRANSITIONAL CHILD CARE ASSISTANCE PROGRAM

DIVISION I  
FAMILY INVESTMENT PROGRAM—CONTROL GROUP  
[Rescinded IAB 2/12/97, effective 3/1/97]

**441—49.1 to 49.20** Reserved.

DIVISION II  
FAMILY INVESTMENT PROGRAM—TREATMENT GROUP  
[Prior to 10/13/93, 441—49.1(239) to 49.14(239)]

PREAMBLE

As part of the state's welfare reform initiatives, 1988 Iowa Acts, chapters 1276 and 1249, authorized the department to implement a transitional child care assistance program effective October 1, 1988. Aid to dependent children (ADC) recipients who lost their ADC eligibility solely due to an increase in earned income or due to loss of the \$30 or the \$30 plus one-third earned income disregards were eligible to receive 12 months of supplemental child care assistance, regardless of the amount of the family's income.

The Family Support Act of 1988, which was signed by President Reagan on October 13, 1988, authorized a federally funded transitional child care assistance program, which the states were required to implement effective April 1, 1990. 1989 Iowa Acts, chapter 318, required the department to implement this program, effective April 1, 1990.

Although the federal law and regulations preclude eligibility for persons who became ineligible for ADC prior to April 1, 1990, the department transitioned in those persons who were eligible for the state's transitional child care program, using state-only funding.

As part of the state's continuing welfare reform efforts, 1993 Iowa Acts, Senate File 268, as passed by the Seventy-fifth General Assembly, and signed by the governor on May 4, 1993, authorized the department to seek a series of ADC federal waivers which, if approved, would provide a transition to work, encourage family stability, and provide recipients with the opportunity to take personal responsibility to get off welfare. The waivers were approved August 13, 1993, and the changes are being incorporated into 441—Chapter 49 effective October 1, 1993, including an extension of the eligibility period for transitional child care from 12 months to 24 months. The name of the ADC program in Iowa is changed to the family investment program (FIP).

1994 Iowa Acts, chapter 1186, section 27, authorized the department to seek an additional transitional child care federal waiver which would extend transitional child care eligibility to former FIP participants who have ceased to be eligible for FIP due to receipt of child support and FIP participants who voluntarily cease FIP eligibility; and exempt the state from the entitlement provision of this program for waiver policy services to allow for the denial of requests and the establishment of a waiting list if funds are not available to serve all families who request benefits under the waived policies. The waivers were approved on February 21, 1995, and the changes are being incorporated into 441—Chapter 49 effective April 1, 1995.

**441—49.21(239B) Eligibility for transitional child care.** A family is eligible for transitional child care when the caretaker relative is employed and the following conditions are met:

**49.21(1)** The family must have ceased to be eligible for FIP as a result of increased income from employment, receipt of child support, or voluntary cessation of benefits.

**49.21(2)** The family received FIP or a program under Title IV-A of the Social Security Act, including those families not receiving a grant due to being eligible for less than a \$10 grant, in at least three of the six months immediately preceding the first month of ineligibility for assistance. Assistance may have been received in Iowa or in another state.

**49.21(3)** The family requests transitional child care benefits, provides the information necessary for determining eligibility and copayment, and meets the other requirements of this chapter.

**49.21(4)** The family ceased to be eligible for FIP on or after April 1, 1990, except for those persons eligible for the previous state-funded program who became ineligible for ADC at some point from October 1, 1988, through March 31, 1990, and who meet the requirements of rule 441—49.34(239B).

**441—49.22(239B) Eligible children.** Payment shall be made for a dependent child, or a person who would be a dependent child except for the receipt of supplemental security income. Payment shall also be made for a dependent child living in the home whose needs are met by IV-E foster care. Payment is limited to children who are either under the age of 13, or aged 13 and over who are physically or mentally incapable of self-care, when established in accordance with 441—paragraph 41.21(5) “c,” or under court supervision. A dependent child is a person who is deprived as specified in 441—subrule 41.21(5) or rule 441—42.22(239B) and who meets the age and school attendance requirements specified in 441—subrule 41.21(1) and who is living in the same home as the caretaker relative. A child is no longer dependent when the child marries unless the marriage is annulled. A child who has been divorced is still considered an adult.

**441—49.23(239B) Child care facilities eligible to participate.** Providers meeting requirements specified at 441—subrule 170.4(3) are eligible to participate in the transitional child care program.

**441—49.24(239B) Effective date of eligibility.** Regardless of when a family requests transitional child care assistance, eligibility for transitional child care begins with the first month for which the family is ineligible for assistance in accordance with rule 441—49.21(239B) and continues for a period of 24 consecutive months. Families may begin to receive child care assistance in any month during the 24-month eligibility period. Entitlement for retroactive transitional child care assistance exists for the entire 24-month period regardless of when the family requests benefits from the program with the exception of those families who ceased to be eligible for FIP due to receipt of child support or voluntary cessation. Those families are eligible for retroactive assistance effective with the first month for which they are ineligible for assistance or April 1, 1995, whichever is later, and continues for a period of 24 consecutive months from the first month for which they were ineligible for FIP. Benefits shall not be paid for services provided prior to April 1, 1995, for those who ceased to be eligible for FIP due to receipt of child support or voluntary cessation of benefits.

**441—49.25(239B) Reasons for ineligibility for transitional child care assistance.** In all of the following situations, if the family reestablishes eligibility for FIP during the 24-month period, the family is entitled to a new 24-month period if the family again becomes ineligible for FIP in accordance with rule 441—49.21(239B) and otherwise meets the eligibility requirements of this chapter.

**49.25(1)** The family is not eligible for transitional child care assistance for any remaining portion of the 24-month period beginning with the month after the caretaker relative, without identified problems with participation of a temporary or incidental nature as described at rule 441—93.133(249C) or barriers to participation as described at rule 441—93.134(249C), terminated employment which would have caused or did cause ineligibility for FIP.

**49.25(2)** The family is not eligible for transitional child care assistance for any remaining portion of the 24-month period beginning with the month after the caretaker relative, without good cause, fails to cooperate with the child support recovery unit, as required at 441—subrule 41.22(6), in establishing payments and enforcing child support obligations, prior to the cancellation of FIP.

**49.25(3)** If the caretaker relative loses a job with identified problems with participation of a temporary or incidental nature as described at rule 441—93.133(249C) or barriers to participation as described at rule 441—93.134(249C), and then finds another job, the family can qualify for the remaining portion of the 24-month eligibility period.

**441—49.26(239B) Income.** Income shall be determined in accordance with 441—subrule 130.3(3) except supplemental security income, state supplementary assistance, and IV-E foster care payments shall be exempt. Income shall be calculated prospectively. When monthly income fluctuates, an average of the income for at least three months, but no more than the past six months, shall be used. When income begins, the best estimate of the prospective income to be received in the first three months shall be used. The client shall be required to verify income to determine initial eligibility, at the time of the annual review, and at the time a change in income is reported. When determining income and family size, household composition shall be determined in accordance with rule 441—130.1(234) and subrule 130.3(5).

**441—49.27(239B) Copayments.** The income limits and fee schedule specified at 441—subrules 130.3(1) and 130.4(3) shall be used to determine the amount of copayment required of the client with two exceptions.

**49.27(1)** When the client's income exceeds the income limits specified at 441—subrule 130.3(1), eligibility shall continue with the client paying the maximum copayment specified at 441—subrule 130.4(3).

**49.27(2)** When the client's income is so low that no copayment would normally be required as specified at 441—subrule 130.4(3), the client shall be required to pay a copayment of 2 cents a half-day unit, depending on the child care needed.

**441—49.28(239B) Copayment requirement.** Each family receiving transitional child care assistance shall pay the copayment amount determined in rule 441—49.27(239B) as a condition of eligibility for the program. Each month the client's child care provider shall verify on Form 470-2476, Transitional Child Care Voucher Payment, as to whether the client has made the required copayment, or has made arrangements to make the required copayment, for the prior month. If a family does not cooperate in paying its fee, it shall become ineligible for continued transitional benefits, and it shall remain ineligible for so long as back fees are owed, unless satisfactory arrangements are made to make full payment.

Caretaker relatives who fail to cooperate in paying required fees shall lose eligibility for transitional child care assistance for so long as back fees are owed, unless satisfactory arrangements are made with the provider to make full payment. In this instance, cancellation of transitional child care assistance is subject to the timely notice and appeal requirements specified in 441—Chapter 7.

**441—49.29(239B) Billing procedures.**

**49.29(1)** The client and the provider shall be required to complete Form 470-2475, Transitional Child Care Voucher Payment Agreement, to determine initial eligibility, at the time of the annual review, and at the time a change is reported. Transitional child care shall not be continued without completion of the form.

**49.29(2)** The provider shall submit Form 470-2476, Transitional Child Care Voucher Payment, to the local office monthly.

**49.29(3)** Providers shall bill the department in the amount that is assessed, less the client copayment. The amount that is assessed shall be based on the units of service as specified at 441—130.4(3) “a,” and shall be determined in accordance with 441—subrule 130.4(3) and rule 441—49.27(239B). The program shall contribute to payment for days of absence not to exceed four days per child per calendar month. The provider shall agree not to collect any fee from the client other than the assessed copayment determined in accordance with these rules.

**49.29(4)** Payment for transitional child care shall begin in the month that the client returns the signed Form 470-2475 or the month the provider meets requirements specified at 441—subrule 170.4(3), whichever is later. However, once the signed form is returned or the provider meets the requirements, payment shall be made retroactively for any past months of the 24 months in which child care costs were incurred and the client was otherwise eligible.

**441—49.30(239B) Payment.**

**49.30(1)** The rate of payment to the provider shall not exceed the amount specified for the PROMISE JOBS program in accordance with 441—Chapter 93, Division II.

**49.30(2)** The rate of payment shall be no more than the provider charges a private individual or that the provider charges under state day care arrangements.

**49.30(3)** Payment will be made only for care which covers the actual hours of the individual’s employment plus a reasonable time commuting or the period of time when the individual is sleeping because the individual’s hours of employment require the individual to sleep during the waking hours of the child.

**49.30(4)** In two-parent households payment will be made for care only if it can be documented that the other parent is unable to provide care or the other parent is employed, in school, or participating in an employment or training program during the hours care is needed.

**441—49.31(239B) Termination of eligibility.** In addition to the reasons specified in rules 441—49.25(239B) and 441—49.28(239B), transitional child care assistance shall also be terminated when one of the following conditions exists. The client:

1. Is eligible for FIP, if an application is filed.
2. Is no longer employed.
3. Has received transitional child care assistance for 24 consecutive months.
4. Is no longer a resident of Iowa.

**441—49.32(239B) Notification and appeals.** Before action can be taken to terminate transitional child care assistance or to increase the amount of the client copayment, timely and adequate notice must be issued in accordance with 441—Chapter 7. When the client requests a hearing within the timely notice period as defined at rule 441—7.1(217), transitional child care assistance shall be continued no longer than through the end of the certification period pending a decision on the appeal.

**441—49.33(239B) Overpayments and recovery.** Clients and providers who receive incorrect payments from the transitional child care assistance program shall have the overpayments recovered in the same manner as specified for the recovery of excess child care payments for the PROMISE JOBS program, described in 441—Chapter 93.

**441—49.34(239B) Families transitioned from the state-funded transitional child care assistance program.** As stated at subrule 49.21(4), persons receiving transitional child care assistance through the state-funded program that was in existence from October 1, 1988, through March 31, 1990, are transitioned into the federally funded program except that the costs of these families' assistance shall be met with state funding. All of the provisions of this revised chapter apply to the transitioned families except as specified as follows:

**49.34(1)** The provisions in subrules 49.21(1) and 49.21(2).

**49.34(2)** All provisions for rule 441—49.24(239B) apply except that there is no eligibility for retroactive months of transitional child care assistance for any month prior to April 1990.

**49.34(3)** All provisions of subrules 49.25(1) and 49.25(2) apply except that no period of ineligibility shall be applied to persons in the transitioned group who quit a job without good cause or who failed to cooperate with child support recovery prior to April 1, 1990. The period of ineligibility shall be applied to persons who quit a job, without good cause, or failed to cooperate with child support recovery on or after April 1, 1990.

**49.34(4)** All provisions of subrule 49.29(4) apply except that there is no eligibility for retroactive months of transitional child care assistance for any month prior to April 1990.

Overpayments caused by client or provider misrepresentation which occurred for any month from October 1, 1988, through March 31, 1990, under the state-funded transitional child care assistance shall be recovered, in accordance with rules 441—49.33(239B).

**441—49.35(239B) Waiting lists.** When the state lacks resources, requests for transitional child care shall be denied and a waiting list established for families who are eligible for transitional child care based on voluntary cessation of FIP benefits or FIP cancellation due to receipt of child support. Eligibility for transitional child care benefits for families who are eligible for the program due to increased income shall continue to be an entitlement and requests by eligible families shall not be denied.

**49.35(1) *Log of families.*** The regional office shall maintain a log of families requesting transitional child care services who are eligible based on voluntary cessation of FIP benefits or FIP cancellation due to receipt of child support when funds are not available to provide benefits. When the department determines that there is adequate funding, the department shall notify the families on the waiting list regarding the availability of funding for waived policy services.

**49.35(2) *Notification of regional staff.*** The income maintenance worker in the county office shall document the date of requests for transitional child care. The worker shall contact the regional staff person responsible for maintaining the log for the region by the end of the second workday after the family requests transitional child care. By the end of the third workday after receipt of the application the family shall be entered in the regional log.

**49.35(3) *Entry on log.*** Each family's name shall be entered on the logs according to when the application for transitional child care services is date-stamped in the county office. In the event more than one application is received at one time, families will be entered on the log on the basis of the day of the month of the birthday of the oldest eligible child, lowest number being first on the log. Any subsequent tie shall be decided by the month of birth, January being month one and the lowest number.

**441—49.36(239B) Termination of program.** Persons receiving transitional child care as of July 1, 1999, may continue to receive transitional child care until their eligibility period ends or they otherwise become ineligible. No new applications for transitional child care will be taken or approved after June 30, 1999.

These rules are intended to implement 1997 Iowa Code Supplement section 239B.23 and 1999 Iowa Acts, House File 761, section 36, subsection 2.

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